NOVEMBER 5, 2007

MICHAEL W. DOBBINS CLERK, U.S. DISTRICT COURT

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

1200 ASHLAND, LLC, an Illinois limited liability company	§ §		07 C 6241
Plaintiff,	§ §		
vs.	§ § 8	C.A. No	JUDGE MORAN MAGISTRATE JUDGE NOLAN
LAWYERS TITLE INSURANCE CORPORATION, a Virginia corporation	\$ \$ \$		
Defendant.	§		

DECLARATION OF SALLY A. SHERMAN

- 1. My name is Sally A. Sherman. I am currently employed by Lawyers Title Insurance Corporation ("Lawyers Title") as a Vice President, Claims Center Manager. In that capacity, I have personal knowledge of the statements set forth in this Declaration, and they are all true and correct.
- 2. Lawyers Title is currently a Nebraska corporation with its principal place of business in Glen Allen, Virginia, and was at the time the above referenced action was filed.
- 3. Attached hereto as Exhibit A is a true and correct copy of a letter Lawyers Title received on November 22, 2006 from counsel representing the plaintiff in the above referenced case, asserting a claim under its owner's policy of title insurance and demanding reimbursement of \$3,083,120.00 from Lawyers Title.

I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED on this 31st day of October, 2007.

Sally A. Sheyman

VEDDER PRICE

PEARL A. ZAGER 312-609-7548 pzager@vedderprice.com VEDDER, PRICE, KAUFMAN & KAMMHOLZ, P.C. 222 NORTH LASALLE STREET CHICAGO, ILLINOIS 60601 312-609-7500 FAX: 312-609-5005

CHICAGO - NEW YORK CITY - WASHINGTON, DC - ROSELAND, NJ

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November 15, 2006

BY CERTIFIED MAIL RETURN RECEIPT REQUESTED AND REGULAR MAIL

Lawyers Title Insurance Corporation Consumer Affairs Department P. O. Box 27567 Richmond, Virginia 23261-7561

Re: ALTA Owner's Policy File No. N 01040691

dated December 23, 2004

1200 North Ashland Avenue, Chicago, Illinois

Dear Sir/Madam:

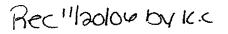
We represent 1200 Ashland LLC, an Illinois limited liability company, the owner insured under the captioned owner's policy of title insurance. This letter constitutes a claim based on Location Endorsements 4 and 5 and Zoning Endorsement 3.1 to the policy.

The insured discovered that the survey prepared by Geopool CML Engineers Land Surveyors dated April 15, 2004 No. 04-074 does not accurately depict the exterior boundaries of the land or show the proper dimensions of said boundaries. Specifically, the majority of Lot 2 in Fish's subdivision, as more fully described in the third of five tracts within Parcel 1 of Exhibit A to Schedule A of the policy, should not be included in the land. Except for the northwest corner, it does not "fall within Lot 2 of the Assessor's Division aforesaid in Cook County, Illinois." As a result, the land described in Schedule A is not contiguous to each other. There is a gap approximately 25 feet wide by 100 feet long. A copy of the ALTA/ACSM Land Title Survey prepared by National Survey Service, Inc. dated May 11, 2006 No. N-126706 demonstrating these two defects is enclosed. These defects are insured under Location Endorsements 4 and 5.

In addition, upon its application for a building permit, the insured discovered that:

(a) According to applicable zoning ordinances and amendments thereto, the land is not classified B1-3 (Parcel 3) and B3-2 (Parcels 1 and 2). Instead, the land is classified as Business Planned Development No. PD300.

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Lawyers Title Insurance Corporation November 15, 2006 Page 2

(b) The insured's intended construction of dwelling units above the ground floor is not allowed under the correct classification.

These defects are insured under Zoning Endorsement 3.1.

As a consequence, title is unmarketable, and the appraisal value of the land has decreased by \$3,073,120.00.

We hereby demand that you promptly reimburse 1200 Ashland LLC for the sum of \$3,073,120.00 plus attorneys' fees and costs to resolve this matter in the amount of \$10,000.00, which continue to accrue, for a total reimbursement of not less than \$3,083,120.00.

Sincepely

Pearl A. Zager

PAZ/lf Enclosure

cc: Jeffrey Brand, Esq. (w/o enc.) Karen P. Layng, Esq. (w/o enc.)